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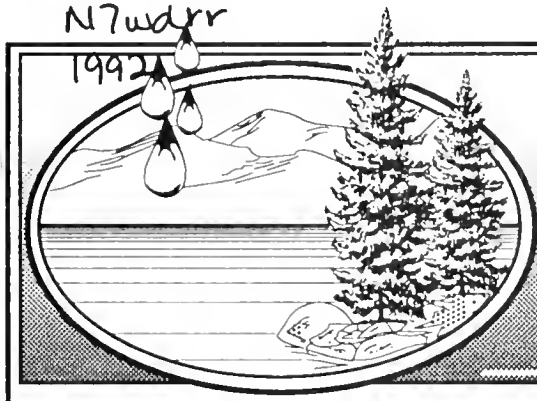
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Water development and renewable resource



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# WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT PROGRAMS

"Promoting the development and efficient use  
of Montana's water-related natural resources"

In this issue: Renewable Resource Development Program Grants and Loans for Governmental Entities • 1992

## RENEWABLE RESOURCE DEVELOPMENT PROGRAM LOOKS AHEAD

### *Creating sustainable industries for the future*

The Montana Legislature created the Renewable Resource Development (RRD) program in 1975. This progressive-minded program uses funds generated by the current use of depletable resources to invest in the development of more sustainable, resource-related industries for the future. The program provides grants and loans for renewable resource development projects that are expected to provide tangible returns and benefits to Montana and its people. These funds are available to government entities only.

The RRD program funds grants with coal severance tax revenue and resource indemnity trust earnings, and also issues general obligation bonds to fund loans. Grants and loans are provided to fund worthwhile renewable resource development projects. Although allowing the RRD program to borrow against current and future state revenue, the legislature realizes that creating jobs in the more-enduring renewable resource industries—to replace jobs tied to depletable minerals—will take time.

Whenever practicable, the program attempts to fund projects that involve the "multiple use" of renewable natural resources. For example, projects that develop water storage and water-based recreation opportunities are considered multi-use projects. Other examples include municipal irrigation projects that dispose

of grey water and enhance community appearance, and landfill extraction efforts to recycle resources while simultaneously generating revenue.

To administer the RRD program, the Department of Natural Resources and Conservation (DNRC) is directed to protect existing public natural resources such as land, air, fish, wildlife, and recreation to make sure they are not diminished by program-funded projects. At the same time, funding projects designed only to reclaim or protect existing resources is not the program's intent.

DNRC administers the RRD program in conjunction with the Water Development program. Both programs use the same application process (see page 5). Although both programs may be used to fund water-related projects, the RRD program also funds projects unrelated to water.

Montana's principal natural resource industries include agriculture (including forestry agriculture or silviculture), wood and paper products production, mineral mining, and oil and gas extraction. In that much of the state's tourism and recreation industry is resource-based, it too can be considered another of Montana's natural resource industries. Depending on the limited and depletable resources relied upon and the types of management practices and technology used, these natural resource industries show varying degrees of renewability or sustainability.

A number of Montana's resource industries use depletable resources that

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are undergoing difficult restructuring and showing the effects of declining income and employment rates. According to Larry D. Swanson, Director of Economic Analysis at the University of Montana, "In 1990, Montana's real labor income for non-agricultural resource sectors [including logging and wood products manufacturing, coal mining, oil and gas production, and nonfuel mineral mining] was a full 30 percent lower than in 1979."

According to Swanson, labor income among wood products workers in Montana has "declined by more than 30 percent since 1979, even though the state's logging activity increased by 17 percent." Wood products employment fell by 15 percent.

In Montana's coal mining sector, "employment dropped by 17 percent in spite of a 26 percent increase in state coal production," Swanson said. Employment in the state's oil and gas exploration and production sector "exceeded 7,000 workers in 1981, but now stands at 2,100."

In spite of a recent recovery in metal mining employment in Montana, the long-term trend in the mining industry

shows an employment decline. According to Swanson, "Because resource industries tend to be unstable and slow-growing—if not declining—sectors of the economy, heavy dependence on them is viewed by many economists as an economic liability."

While these resource industries will continue to serve as important components of Montana's economy well into the future, Montana must continue to explore meaningful ways to diversify its economy into additional, more sustainable areas. The time and investment required to accomplish this goal will not take place overnight.

DNRC would like to see the RRD program help diversify and provide stable resources for the state's natural resource industry. With this in mind, DNRC reviews projects to identify those that meet the following criteria:

- (1) Projects that are multi-use whenever practicable.

These types of projects typically offer more public benefits. An example is an agricultural project that develops a new seed oil that can be used as a transportation or food product alternative that also fixes nitrogen or acts to interrupt the crop pest cycle.

- (2) Projects that will provide tangible returns to the state and its citizens.

A tangible return on the investment of RRD funds is a must. Although some research and study projects may be eligible for funding, they must be designed to address specific questions, and they must support an ongoing effort that will produce tangible results for Montana and its citizens.

For example, studies that evaluate growth barriers in agriculture, nonresident tourism, forestry, or other renewable resource industries could be used to determine investment areas to promote future growth.

- (3) Projects that will provide ongoing economic benefits.

These types of benefits are necessary to ensure that future revenue will be available to support the state's interests as mineral resources now support state interests. Recent investments of funds to develop crop alternatives (see page 3) offer the promise of an additional market for Montana agriculture producers. DNRC continues to look for projects that show this type of promise.

Since grant funding for the RRD program is limited, only \$566,000 was available during 1991. According to John Tubbs, DNRC's Resource Development Bureau Chief, competition for funding is high. "During the 1990s, I hope we can direct funding to industries that show growth potential, and at the same time use funds to help emerging industries such as recycling or fish farming become established for the future."

Source: "Regional Resource Industry Dependency" by Larry Swanson, *Montana Business Quarterly*, Spring 1992.



## MONTANA FIGHTS FOR RECREATION

For some time now, drought in Montana has significantly affected water levels in the state's rivers, lakes, and reservoirs. Most recently, DNRC has been advocating Montana's Missouri River rights in a dispute with the basin's downstream states. According to DNRC attorney Tim Hall, "Recreation is a growing segment of Montana's economy and certainly serves as a key beneficial use of water in the Missouri River basin. Management practices used by the U.S. Corps of Engineers are draining our valuable recreation resources."

Concerned with floods during the 1940s, the Corps added five dams downstream from Fort Peck Dam to gain control over the unpredictable Missouri River. The Flood Control Act of 1944 was enacted to provide flood control and management of Missouri River water for beneficial use. The act was to protect downstream states from flood threats and to guarantee upper basin states and Indian nations irrigation water to compensate for land lost through the creation of reservoirs. To date, these allotments have not been provided. Nor have the upper basin states been significantly compensated for any land losses.

With its dams in place and flooding becoming more manageable, the Corps was able to release water to meet downstream navigation requirements. Nearly 50 years later, drought instead of flooding is affecting the Missouri basin states. The Corps, however, has continued to release water for navigation without showing concern for other users' needs. As a result, Fort Peck Reservoir's water level has dropped 37 feet. In essence, boat docks and recreation have been left high and dry.

"If you compare the \$65 million in tourism dollars earned annually from recreation on the Missouri to the \$17 million earned annually from navigation, there's no room for dispute," Hall said. "Water must be left to meet the needs of our vital recreation economy."

Montana has teamed with North and South Dakota to convince the Corps to assign recreation a higher status. Not satisfied with watching recreation continue to play a secondary role, Montana and the Dakotas want to see recreation afforded the same level of importance as that given to navigation and other Missouri River uses.

# TOP-RANKED 1991 PROJECT OFFERS CROP ALTERNATIVES

by Jeanne Doney

## *Creating new agriculture markets*

In 1991, the Montana Legislature authorized Renewable Resource Development (RRD) program grant funds for the second phase of a project formally titled *Cereal-Legume Rotations as Energy Efficient Cropping Systems In Montana*. The funds have been used by Jefferson Valley and Madison conservation districts to study low-input farm practices. The project demonstrates the environmental advantages of natural, low-input farming principles.

Cereal-legume rotations project researchers, Montana Agriculture Producers, Inc. (MAGPI), tested specific crop alternatives for southwestern Montana's agriculture producers to reduce energy costs and soil erosion, increase water efficiency, maintain soil productivity, and increase farm profitability. MAGPI demonstrated crop production alternatives on mainstream, traditional farms using existing machinery and traditional farming practices. According to Madison County extension agent Scott Mendenhall, "Farmers don't have to swear off all chemical uses or change their entire farming methods to enjoy the benefits that crop alternatives offer."

"Some people think our reliance on synthetic nitrogen for the production of small grains has caused a decrease in organic matter in Montana soil," Mendenhall said. "Less organic matter in the soil leads to increased erosion and decreased water efficiency."

### Phase I

"Oil overcharge" funds were used to fund Phase I of the cereal-legume rotations project. "These funds are settlement funds collected in federal court cases involving oil companies that overcharged consumers during the era of oil price regulation," said Jeanne Doney, DNRC Program Manager.

Projects funded with the oil over-

charge funds are intended to compensate oil consumers in lieu of providing individual refunds.



Phase I began in 1988 under the direction of the Jefferson Valley and Madison conservation districts. Because of its success in guiding producers toward cost-effective, energy-saving farm production alternatives to preserve cropland, DNRC staff recommended additional funding for the project under the RRD program.

RRD program staff look for these types of projects that (1) will use revenue from nonrenewable mineral resources to develop viable renewable resources for the future, and (2) will not diminish the quality of natural resources such as land, air, and water.

A move toward lower-input farming is a move toward a farming system that uses nature as its agriculture model. In its 1991 publication titled *Cereal-Legume Cropping Systems*, the Alternative Energy Resources Organization (AERO) explains that in using this type of model, good management focuses on the following:

- Understanding a farm's nutrient cycles, and relying on these cycles instead of chemicals to maintain long-term fertility.
- Comprehending a farm's pest and disease cycles, and knowing how to interrupt these cycles without using toxic pesticides that will interfere with crop and livestock production.

Producers who choose to switch to the natural model likely will see long-term economic benefits by reducing off-farm input to a minimum. Better soil conditions also enhance production and reduce irrigation requirements that result in decreased amounts of irrigation water runoff and pollutants carried into the natural surface or groundwater system.<sup>2</sup>

Phase I also examined a number of energy-efficient crop alternatives and their markets. Throughout the two-year life of the Berseem Clover project, for example, edible rapeseed (canola), Austrian winter peas, lupins, buckwheat, black medic, yellow peas, and Sacramento light red kidney beans were evaluated. Two of these varieties quickly showed growers a significant potential for energy savings and economic viability.

### Canola

Canola was found to be particularly well suited for Montana's growing conditions. Unlike other oilseeds, canola and other rapeseed varieties are cool-weather crops that adapt easily to growing conditions in the Pacific Northwest states. Warm, dry days and cool nights, along with the rich soil common to these areas,

serve as the ideal natural environment for producing high-quality and high-yielding canola. For wheat, barley, and hay producers, canola helps break the disease and insect cycle, thus reducing the need to use costly chemicals to control these.

In 1989, processors who were contacted said that while U.S. rapeseed production is in its infancy compared to that in Canada, public awareness of canola oil's healthful benefits will increase its demand. A market for Montana-produced canola already has surfaced, with the Canbra Foods canola bottling plant located in Butte. Built by a Canadian firm from Lethbridge, the refinery helps support the market for Montana-produced canola. Canbra would like to expand its plant production to include margarine. Also, with increased seed production in Montana, a refinery and seed crusher could be added that would employ more workers.

"This is the type of project we hope to fund with Renewable Resource Development funds," Doney said. "When we fund projects, we look for wide public benefits like those created through this project. Not only did the project sponsor receive a grant, but farmers got a new product market and Butte got a new industry, which adds value to a product and increases profits."

#### Berseem Clover

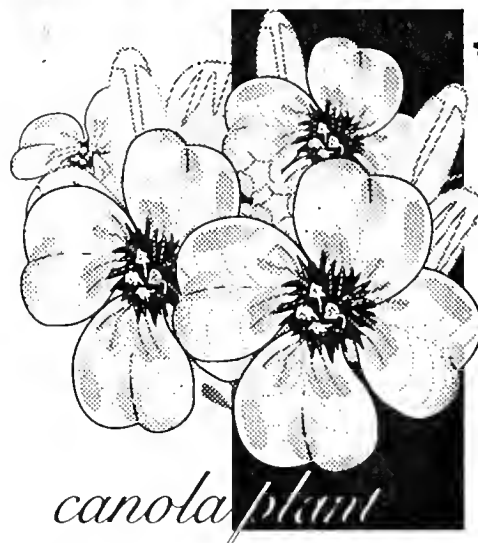
Berseem clover also gained acceptance by many growers for its nitrogen-fixing and green manure characteristics. Originating in Egypt, berseem also is known as "Egyptian clover." Although berseem's commercial use is relatively new

in this country, a winter-hardy variety of the clover now is available. Prior to the development of "bigbee" (another variety), berseem was grown in the U.S. only in Florida, Arizona, and California. "Bigbee" is the berseem variety best suited to cool-climate regions.

Nitrogen fertilizer significantly contributes to production costs and energy requirements in dryland, small-grain crop systems (see pie chart on this page). Manufacturing synthetic nitrogen fertilizer itself is an energy-intensive process that requires high temperatures and pressures along with natural gas. Since most nitrogen fertilizer used in Montana comes from out-of-state producers such as those in Wyoming and Canada, these other areas are the ones that will benefit from a profitable synthetic nitrogen industry.

Berseem clover has been grown in California as a green-manure, plow-down fertilizer for pasture and hay since 1900. Research indicates that with treated seed, the resulting fixed nitrogen totals more than 200 pounds per acre, a value of \$25 per acre. This source of nitrogen easily could replace the need for other fertilizer applications during the year following a Berseem planting when rotating back into small grains.

Because of its "low bloat hazard," berseem is ideal for pasture and hay. Forage contains from 18 to 28 percent crude protein (equal or better than crimson clover or alfalfa). Thus, it is possible to

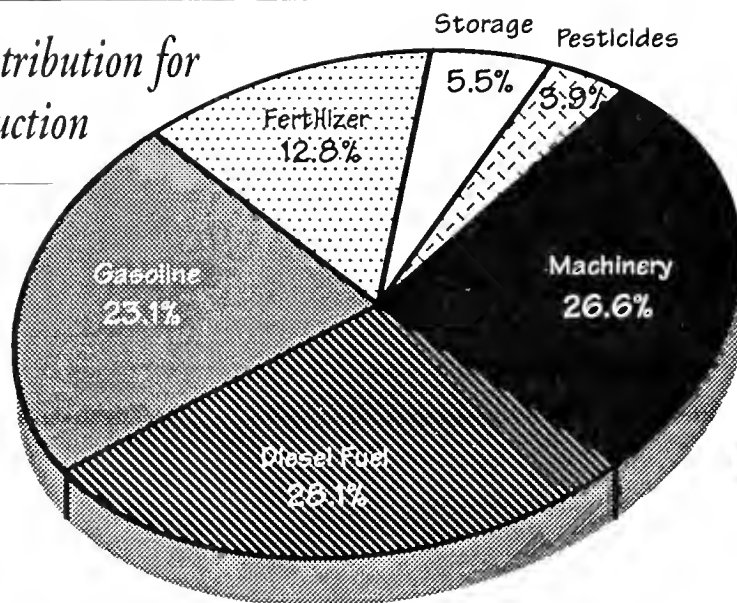


obtain two cuttings and still have some growth to graze or plow down for green manure during the fall. Since berseem clover fits well into Montana's hay and pasture markets, it provides a low-risk crop alternative.

#### Phase II

During 1992, Phase II of the cereal-legume rotations project is scheduled to get underway with a \$48,677 grant from the RRD program. This phase will begin with the selection of additional legume species for testing in representative areas of Madison, Jefferson, and Broadwater counties. Interested producers with sound management skills will be recruited, and 10-acre sites will be established on their

### *Energy Distribution for Crop Production*



*"Not only did the project sponsor receive a grant, but farmers got a new product market and Butte got a new industry, which adds value to a product and increases profits."*

—Jeanne Doney



*"... we are supplanting a non-Montana nitrogen market with nitrogen produced naturally on Montana's farms—this keeps revenue from leaving the state."*

— Scott Mendenhall

properties for trial and demonstration plots. The selected legume species and their varieties will be planted at these sites, and yield, crop quality, fertility, and potential energy reduction will be documented. Public workshops and tours will be conducted for other interested producers late during the first- and second-year growing seasons to promote crop alternatives and management possibilities.

"Our key goal is to reduce nitrogen inputs because they are costly and contribute to the economic instability of Montana's farm operations," said Mendenhall. "By naturally fixing nitrogen, we are supplanting a non-Montana nitrogen market with nitrogen produced naturally on Montana's farms—this keeps revenue from leaving the state."

Preliminary data from field trials conducted by the Montana State University Plant and Soil Sciences Department also indicate that planting cereal crops after legumes produces a more hearty crop. The naturally fixed nitrogen is released gradually throughout the growing season, thus proving more beneficial to cereals than the nitrogen released more quickly from applications of synthetic nitrogen sources. Test crops, for example, have produced increased test weights, higher yields, and improved quality.

NOTE: Copies of *Cereal-Legume Cropping Systems: Nine Farm Case Studies in Dryland Northern Plains, Canadian Prairies and Intermountain Northwest* may be ordered from AERO. Send \$6.00 to Alternative Energy Resources Organization, 44 North Last Chance Gulch, Helena, MT 59601, or call 443-7272 for more information.

## RRD GRANT AND LOAN APPLICATIONS DUE MAY 15

### *Government Entities Eligible to Apply*

The deadline for grant and loan applications for the Renewable Resource Development (RRD) program falls on May 15 of even-numbered years, and successful applicants are notified during the following year. Only state and local government agencies and their subdivisions are eligible to apply for these funds.

Information on other natural resource grant and loan programs also is available from DNRC. These programs include DNRC's Water Development grant and loan program for government entities, the Water Development Loan and Rangeland Loan programs for private landowners, the Reclamation and Development Grant program, and the State Revolving Fund program (this program is administered jointly by DNRC and the Department of Health and Environmental Sciences).

The RRD program is administered in concert with the Water Development grant and loan program for government entities. Applicants may seek funding under either program with a single application; however, projects may receive funding from only one of the two programs.

Tangible public benefit is an important criterion that projects must meet in order to compete for RRD program funding. The extent to which a proposed project will positively affect Montana's citizens will be weighed when DNRC makes its funding recommendations. Of course, while a project's potential to positively affect citizens throughout the state is valuable, projects that could be replicated by other groups to extend public benefits also would be considered for funding. DNRC will review a project proposal to see whether the project would contribute sustainable revenue and employment opportunities to replace benefits currently gained from unsustainable resource industries.

Grants amount to less than \$100,000 and typically are awarded for only a portion of a project's total cost. The RRD program grants may be paired with low-interest RRD loans offered at the rate at which the state's bond is sold. Revenue from the bond sales is used to finance RRD loans of up to \$200,000; RRD grants and loans may not cumulatively exceed \$200,000 for a single project. For example, if a \$270,000 venture receives a \$50,000 grant and a \$150,000 loan, an additional \$70,000 would be needed from other sources to meet the project's total costs.

DNRC does not select government grant or loan projects for funding, according to DNRC Program Manager Jeanne Doney. "The Department's role is to screen grant and loan requests to determine whether projects are financially feasible and technically sound," she said. "Feasible grant requests are ranked according to standard criteria to select those that most efficiently use our state's natural resources."

Loan applications also are reviewed to eliminate those ventures that are not technically sound or borrowers who would not be good credit risks. DNRC then makes its grant and loan recommendations to the legislature.

For information on other DNRC natural resource grant or loan programs, write or call DNRC at the following address and phone number:

DNRC Conservation and Resource Development Division  
1520 East Sixth Avenue  
Helena, MT 59620-2301  
Phone: (406) 444-6668



# QUESTIONS APPLICANTS ASK ABOUT RRD GRANTS AND LOANS

## 1. Who is eligible to apply for Renewable Resource Development (RRD) program funding?

Only government entities may apply for grant and loan funding under the RRD program. These may be state government agencies, cities, towns, or counties and their subdivisions, including water, sewer, and irrigation districts. DNRC must receive all applications—or they must be post-marked—by May 15, 1992.

## 2. How does the RRD program differ from the Water Development program?

Most noticeably, the RRD program includes no provisions for funding projects proposed by private individuals or groups. The Water Development program, on the other hand, has funds available for both government and private entities. Also keep in mind that while a range of renewable natural resource projects—including water-related projects—are eligible for RRD program funding, **only** water-related projects are eligible for Water Development program funding.

The RRD program is concerned with developing sustainable natural resource industries such as timber, agriculture, and nonresident tourism that in the future may replace benefits now provided by mineral resource industries. The Water Development program focuses on managing and preserving Montana's water resources to meet basic agriculture and municipal water resource needs, both now and in the future.

## 3. What distinguishes a good candidate project for RRD program funding from a good candidate project for Water Development program funding?

An RRD project ideally would focus both on the development of a sustainable natural resource and a market for that resource, while a Water Development project might be concerned with the storage, preservation, cleanup, or better use of existing water resources to meet the state's needs.

## 4. How do we apply for an RRD program grant or loan?

Both state and local governments can

obtain application forms by contacting DNRC. If an entity is applying for a grant and a loan, both application forms should be used; the loan application, however, should be completed first. In the grant application for a combined grant and loan, Step 5, "Financial Narrative and Budget Forms," would not be completed.

## 5. My project is water-related. Should I fill out application forms for both the RRD and Water Development programs?

No, only one grant application may be submitted under these two programs for any single project. By completing one application, your project will be considered under both programs, but selected for funding under only one—if the project ranks high enough to reach that point.

## 6. Do all projects get funded?

Due to limited grant funds, even excellent proposals must be turned away. In 1991, the available grant amount approved by the legislature totaled approximately \$1.4 million. Because of this limited amount, technically sound projects that provide excellent public benefits, meet key program objectives, and prove to be the most urgent make the best candidates to receive DNRC grant funding.

## 7. If water-related projects are eligible for funding under both the RRD and Water Development programs, how can non-water-related projects compete?

Both water- and non-water-related projects receive numerical scores for (1) financial feasibility, (2) environmental impact, (3) technical merit, (4) public benefit, (5) need, and (6) urgency (see page 7). With the exception of public benefit criteria, the criteria used under each category are identical under both programs.

The public benefit category offers 400 possible points under either program. Under the RRD program, public benefit points will be awarded when application material documents that the proposed project will (1) provide tangible returns to the state and its citizens; (2) invest in the

replacement of nonrenewable resources with the development of renewable resource(s) to provide benefits—economic and otherwise—for Montana's citizens and to preserve the state's natural heritage; and (3) be multi-use, used and strongly supported by the public, co-funded, and/or serve as a source of new, permanent jobs. These criteria will be used to evaluate both water- and non-water-related projects.

Under the Water Development program, public benefit points will be awarded when application material provides documentation that a proposed project will (1) implement a priority of the State Water Plan, support identified water storage priorities, or preserve family farm land; (2) initiate the use of water reserved under Montana law or resolve Indian/federal reserved water rights; (3) significantly contribute to water conservation; and (4) be multi-use, used and strongly supported by the public, co-funded, and/or serve as a source of new, permanent jobs. Only water-related projects will be evaluated under the Water Development program.

After projects are scored, projects receiving two scores will be awarded the higher of the two. Projects with the highest scores then will be recommended for funding.

## 8. How much money is available for loans?

RRD program bond loans of up to \$200,000 may be paired with grants. For example, an applicant may receive a \$150,000 loan and a \$50,000 grant, or a \$175,000 loan and a \$25,000 grant. When the RRD program was established, DNRC was given the authority to issue bonds totalling \$5 million to finance loans; approximately \$4 million is available at this time to fund RRD loan program requests.

## 9. Are loans ranked for funding?

DNRC reviews loan applications for RRD projects for financial and technical feasibility, but they are not ranked; each feasible loan request is recommended for funding.



# GRANT APPLICATION RANKING CRITERIA

## *Key elements: feasibility and public benefits*

The process used to rank projects under the Renewable Resource Development (RRD) and Water Development programs is similar, with projects that qualify under both programs being scored twice. The public benefit criteria used for the two programs differ, however. Points awarded in the public benefit category are equal, but the criteria used are based on different statutory requirements. All other ranking categories under both programs are identical.

To begin the application review process, DNRC and a technical review team first evaluate each proposal to make sure that a project is economically and at least technically feasible. Economic feasibility is determined after verifying that a proposed venture's total cost will be exceeded by anticipated benefits that can be directly

attributed to the project. After DNRC makes this initial evaluation, it examines the merit of a proposed project under six categories.

### 1. FINANCIAL FEASIBILITY

DNRC's technical review team is comprised of experienced individuals who evaluate the merit of similar proposals by using standard finance principles. To determine financial feasibility, the reviewers decide whether funds are available to construct, operate, continue, or complete a project, and whether these funding sources are identified. DNRC also will check to see whether other funding sources needed to complete a proposed project have been secured, whether the application provides any documentation of these funds, whether any security required to support a RRD loan requested in conjunction with the grant is available and sufficient, and whether matching funds

are in-kind contributions or another form of soft match.

If this review uncovers any deficiencies in a proposal's financial feasibility, points will be deducted. For example, an acceptable application would lose no points, a marginal application would lose 100 points, and a doubtful application would lose the maximum of 200 points.

### 2. ADVERSE ENVIRONMENTAL IMPACTS

An environmental checklist will be completed with help and guidance from DNRC's environmental impact team. Each checklist item identifies adverse impacts in areas such as air quality, water quality, vegetation/wildlife, land use, and visual/aesthetics. If a project would cause any adverse effects, an environmental assessment or environmental impact statement may need to be prepared to fulfill Montana Environmental Policy Act (MEPA) requirements. Any costs associated with preparing an EIS would serve as a factor in reconsidering a project's initial cost and benefit assessment.

Adverse environmental impacts will be estimated and could result in a proposal losing a maximum of 300 points.

### 3. TECHNICAL MERIT

Standard engineering principles will be used to evaluate a proposal's technical merit. Any coordinating agencies must indicate that a project meets the standards necessary to comply with state law. Applicants also must either hold or indicate the ability to acquire all of the necessary land or water right interests. Proposals for projects that use commonly accepted technology to solve a common problem will tend to be more competitive than experimental projects. Proposed budget amounts and time lines for completing a project must be reasonable and well-documented. An applicant can receive up to 400 points in the technical merit category.

## WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT PROGRAM

### *Application Scoring Sheet*

Project Sponsor: \_\_\_\_\_

Title of Venture: \_\_\_\_\_

#### I. PROJECT/ACTIVITY ELIGIBILITY:

##### A. ECONOMIC FEASIBILITY:

Benefits exceed costs ☐ Yes ☐ No

##### B. LOCATION:

Venture located in Montana ☐ Yes ☐ No

##### C. TECHNICAL FEASIBILITY:

Sufficient documentation supplied ☐ Yes ☐ No

#### II. PROJECT/ACTIVITY MERIT

Category	Total Points	Maximum Possible
A. FINANCIAL FEASIBILITY	_____	0
B. ADVERSE ENVIRONMENTAL IMPACTS	_____	0
C. TECHNICAL MERIT	_____	400
D. PUBLIC BENEFIT	_____	400
E. NEED	_____	100
F. URGENCY	_____	100
TOTAL	_____	1000

#### 4. PUBLIC BENEFIT

Public benefit criteria are based on Montana statute requirements. Up to 400 points will be awarded in this category, depending on the degree to which the following tests are met:

##### a) Tangible Return (200 points)

For example, does the project provide benefits that:

- are measurable?
- will be ongoing?
- will affect a large number of people in Montana?
- are significant when compared to benefits that other proposed projects would provide?

##### b) Invests in replacing nonrenewable resources with renewable resources to provide benefits—economic or otherwise—for the state's citizens

and to preserve its natural heritage. (200 points)

For example, does the project

- preserve resources such as land, air, water, wildlife, or recreation while developing economic resources?
- develop a renewable natural resource to provide future economic benefits to Montana?

#### 5. NEED

Points for public need will be awarded to proposals only if the subtotal of the previous categories is more than average. Points will be awarded to proposals that have not previously received funding from DNRC; that document no other available public funding; that show compliance with court orders to overcome identified health hazards; or that mitigate existing, adverse environmental

conditions. Up to 100 points may be awarded to a proposal under the public need category.

#### 6. URGENCY

Urgency points will be awarded only to applicants that qualify for consideration under public need. Up to 100 points may be awarded to proposals that demonstrate severe financial need demonstrated by the rates and fees in place for related community mills levied; a high debt-to-bond capacity ratio or other fiscal problems; or a threat to life or property that would be imminent without the project.

DNRC's ranking system is used to determine the overall relative merit of each grant proposal submitted for funding. Proposals are recommended for funding in the order they are ranked, and the Montana Legislature makes the actual funding decisions.

For more information about the application ranking system, contact DNRC.

Montana Department of  
Natural Resources and Conservation



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